R4105-4

The Conference Board

A Monthly Report from the Consumer Research Center

Consumer Confidence Survey

June, 1990

Consumer Confidence: No Change

Consumer confidence remained unchanged in May. In the latest probe, the Board's Confidence Index (1985=100) registered 106.7, down an insignificant half a point. On questions concerning present conditions, public opinion is somewhat less positive than in the month before, but the level of expectations for the next six months remains the same.

About 23% of all survey participants now say that business conditions are "good," close to 20% believe they are "bad." Both these figures are marginally less positive than in the preceding probe. There was also almost no shift in people's assessment of the employment situation. About 27% report that jobs are "plentiful," while 23% say they are "hard to get."
In looking ahead to the next six months, there are also very small changes between April and May. Now, over 18% expect business conditions to improve, while 10% of respondents expect the reverse. On balance, these readings are just about the same as in April. There has also been very little change in people's assessment of the likely employment situation in the coming months. Now, some 16% believe that "more jobs" will become available, but 17% fear that there will be "fewer jobs." Optimists outnumber pessimists on this question most of the time, but the reverse situation has now prevailed for most of this year. People are less confident about their own financial prospects for the months ahead. In the May survey, less than 26% expect their family income to increase, down from over 29% in April.

Despite the moderate rise in the public's concern about prevailing economic conditions, buying plans perked up somewhat in May. Now, slightly over 8% of all those contacted say they plan to buy a car within the next six months, up from a low 6% a month earlier. Interest in homes has also perked up to about 4%, from a feeble 3% the month before. Slightly more favorable mortgage rates in recent weeks may have contributed to this improvement. Plans to buy a major appliance were down marginally in May.

Although consumer confidence has been running well below the levels registered late last year, there is still no indication that the economy is moving into recession. This is consistent with the readings of the major economic indicators. While many of the numbers point to a softening in the economy, there are few signals suggesting that we are moving into bigger troubles. The consumer's major worry at this time is the availability of jobs, present and in the future. Still, their plans to spend are continuing at a reassuring level.

Fabian Linden

Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

Business Employment Income

All series seasonally adjusted	1989 May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1990 Jan.	Feb.	Mar.	Apr.(r)	May(p)
Composite Series: Index Numbers, 1985 = 100													
Consumer Confidence Index	116.7	117.2	120.4	115.4	116.3	117.0	115.1	113.0	106.5	106.7	110.6	107.3	106.7
Present Situation	137.2	135.5	141.1	133.0	131.7	133.0	132.3	125.9	120.7	126.3	123.7	119.4	117.7
Expectations	103.0	105.1	106.6	103.7	106.1	106.4	103.7	104.4	97.0	93.7	101.9	99.2	99.4
Appraisal of Present Situation: Percent													
Business Conditions													
Good	30.1	28.3	31.6	27.5	27.1	28.0	26.2	25.1	22.7	25.1	24.9	23.8	23.3
Bad	16.5	17.2	15.5	17.4	16.9	16.9	15.2	17.3	18.9	18.1	19.7	19.3	19.7
Normal	53.4	54.5	52.9	55.1	56.0	55.1	58.6	57.6	58.4	56.8	55.4	56.9	57.0
Employment													
Jobs plentiful	34.1	33.2	33.1	31.6	30.4	30.4	29.6	27.0	27.2	28.1	29.2	26.6	26.6
Jobs not so plentiful	44.8	46.4	47.6	48.1	48.9	49.4	49.7	52.4	51.2	51.4	49.0	51.1	50.6
Jobs hard to get	21.1	20.4	19.3	20.3	20.7	20.2	20.7	20.6	21.6	20.5	21.8	22.3	22.8
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	20.7	20.1	18.8	18.3	18.3	19.5	17.6	18.3	17.0	16.7	19.4	17.2	18.5
Worse	8.9	8.7	8.4	8.3	7.5	7.9	8.3	8.1	9.7	11.4	9.5	9.2	10.0
Same	70.4	71.2	72.8	73.4	74.2	72.6	74.1	73.6	73.3	71.9	71.1	73.6	71.5
Employment													
More jobs	18.9	17.9	18.6	17.2	17.4	17.3	16.1	16.6	14.6	14.3	16.6	15.4	15.9
Fewer jobs	15.6	14.2	13.2	14.3	13.8	13.7	14.0	14.9	16.8	17.4	15.4	16.2	16.7
Same	65.5	67.9	68.2	68.5	68.8	69.0	69.9	68.5	68.6	68.3	68.0	68.4	67.4
Income													
Increase	26.5	27.0	27.3	26.1	28.5	27.7	29.3	30.2	28.7	26.6	27.6	29.3	25.8
Decrease	8.1	6.7	6.8	6.6	6.6	6.3	6.3	5.9	6.1	6.0	6.3	6.3	5.2
Same	65.4	66.3	65.9	67.3	64.9	66.0	64.4	63.9	65.2	67.4	66.1	64.4	69.0
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	8.5	6.7	7.1	7.4	8.1	6.7	6.9	7.1	7.5	7.6	8.1	6.2	8.2
New	4.0	3.6	3.6	4.2	3.6	3.7	3.2	3.3	4.1	3.2	4.0	3.7	4.0
Used	3.2	2.5	2.4	2.6	3.3	2.2	2.9	2.8	3.0	3.3	3.3	2.1	3.1
Uncertain	1.3	0.6	1.1	0.6	1.2	0.8	0.8	1.0	0.4	1.1	0.8	0.4	1.1
Home													
Yes	3.4	3.3	3.7	3.5	3.1	3.3	3.0	3.3	3.6	4.1	3.9	2.9	3.9
New	0.9	0.6	1.1	1.1	0.9	1.0	1.1	0.8	0.9	1.0	1.2	0.8	1.0
Lived in	1.4	1.8	1.8	1.6	1.4	1.4	1.5	1.7	1.9	1.9	1.6	1.4	1.9
Uncertain	1.1	0.9	0.8	0.8	0.8	0.9	0.4	0.8	0.8	1.2	1.1	0.7	1.0
Major appliances													
Total plans	27.4	26.8	30.5	28.3	27.4	31.1	25.7	28.8	30.8	31.5	31.9	31.3	29.3
Refrigerator	4.5	4.6	4.4	4.0	4.1	4.7	3.8	4.1	5.2	4.3	5.1	4.5	5.1
Washing machine	3.1	3.4	4.5	3.9	3.5	4.8	3.7	4.4	3.8	4.8	4.4	3.6	3.7
TV Set	6.8	5.3	8.0	6.9	6.6	7.5	6.2	7.9	7.0	7.8	7.3	7.8	6.8
Vacuum Cleaner	5.2	5.0	4.8	5.8	4.7	4.9	4.6	5.0	5.6	5.1	6.3	6.0	5.2
Range	2.8	2.5	3.3	2.5	2.4	3.3	2.8	2.3	3.3	3.1	2.9	3.5	3.0
Clothes dryer	2.6	3.7	3.3	3.3	2.8	3.9	3.1	3.4	3.3	3.7	3.6	3.8	3.3
Air conditioner	2.4	2.3	2.2	1.9	3.3	2.0	1.5	1.7	2.6	2.7	2.1	2.1	2.2
Carpet	6.7	5.9	7.6	6.9	6.0	6.9	5.8	6.4	6.2	6.9	6.5	6.2	6.2
Vacation Intended Within Six Months: Percent													
Vacation Intended		45.7		50.2		49.0		52.4		49.9		48.1	
Destination													
U.S.		40.8		42.8		41.8		44.4		42.8		41.1	
Foreign country		8.4		9.4		8.6		9.5		9.3		8.8	
Means of travel													
Automobile		27.7		30.1		28.9		29.6		28.7		28.6	
Airplane		18.4		18.8		18.0		19.7		19.6		18.8	
Other		4.5		4.0		4.2		4.9		4.4		3.8	

(p)—preliminary (r)—revised

ATTENTION DATA USERS: Data in this publication are available online. For information, phone (212) 339-0216.

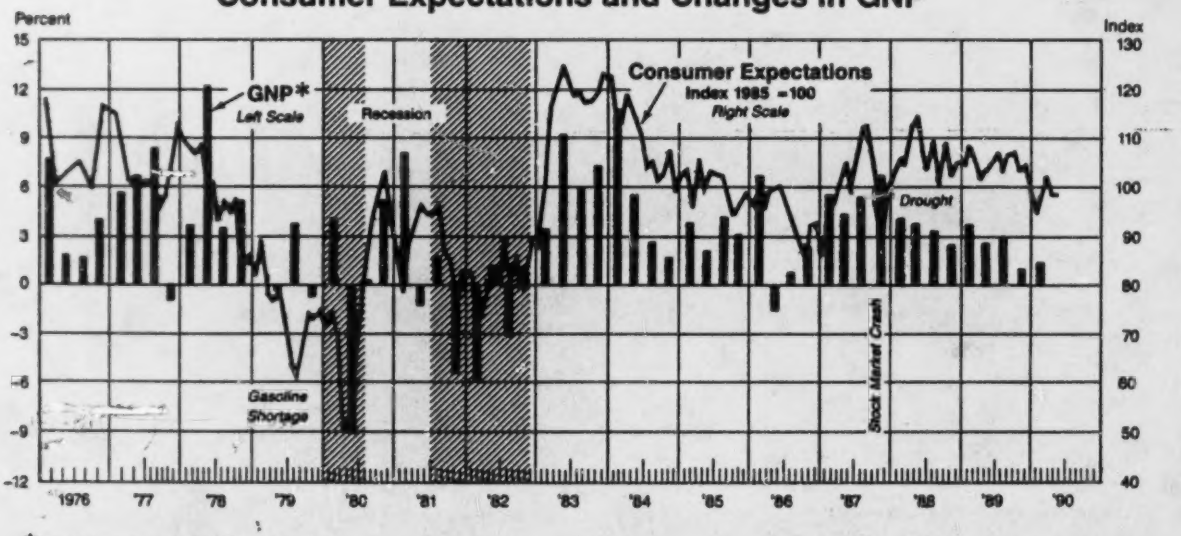
Not seasonally adjusted	1989 May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1990 Jan.	Feb.	Mar.	Apr.(r)	May(p)
Expectations for Twelve Months Hence: Percent													
Inflation Rate													
Average	4.9	4.7	4.8	4.7	4.7	4.8	4.7	4.7	5.2	4.8	4.9	4.9	4.9
Interest Rates													
Higher	69.9	57.3	52.4	44.9	52.4	56.0	52.1	49.0	47.2	52.5	58.7	54.5	62.8
Same	17.6	21.5	21.6	25.1	26.4	25.6	27.7	25.9	24.1	26.0	23.9	28.2	23.1
Lower	13.5	21.2	26.0	30.0	21.2	18.4	20.2	25.1	28.7	21.5	17.4	17.3	14.1
Stock Prices													
Increase	42.7	44.0	41.0	41.8	46.0	45.0	38.0	42.2	41.6	35.0	39.0	36.8	38.7
Same	33.3	34.6	34.9	34.7	32.7	33.3	36.9	34.9	35.1	35.7	34.8	37.4	36.7
Decrease	24.0	21.4	24.1	23.5	21.3	21.7	25.1	22.9	23.3	29.3	26.2	25.8	24.6

CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

Seasonally adjusted index numbers: 1985 = 100	1989 May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1990 Jan.	Feb.	Mar.	Apr.(r)	May(p)	3 mos. Percent Change*
AGE OF HOUSEHOLD HEAD														
Consumer Confidence Index														
Under 35	124.2	126.8	128.9	126.7	123.0	125.9	127.2	121.2	115.4	119.3	122.4	116.1	117.6	0.0
35-54	115.9	122.8	121.7	119.8	115.2	115.1	115.5	112.5	105.8	107.9	110.8	109.8	106.2	0.2
55 and over	110.4	102.6	111.9	100.8	109.1	109.0	103.7	105.3	96.5	91.3	98.4	94.3	95.5	- 1.7
HOUSEHOLD INCOME														
Consumer Confidence Index														
Under $15,000	87.1	90.3	88.9	89.6	82.3	87.9	84.7	89.4	80.9	78.1	84.5	78.7	84.4	- 0.4
$15,000-24,999	113.0	109.0	121.7	113.5	113.0	107.3	113.4	106.6	97.6	97.1	100.5	106.1	103.1	2.8
$25,000 and over	131.5	132.1	133.8	127.3	130.2	129.9	127.3	124.3	118.4	119.9	123.7	119.1	116.5	- 0.9

*Percent Change: Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.

Consumer Expectations and Changes in GNP



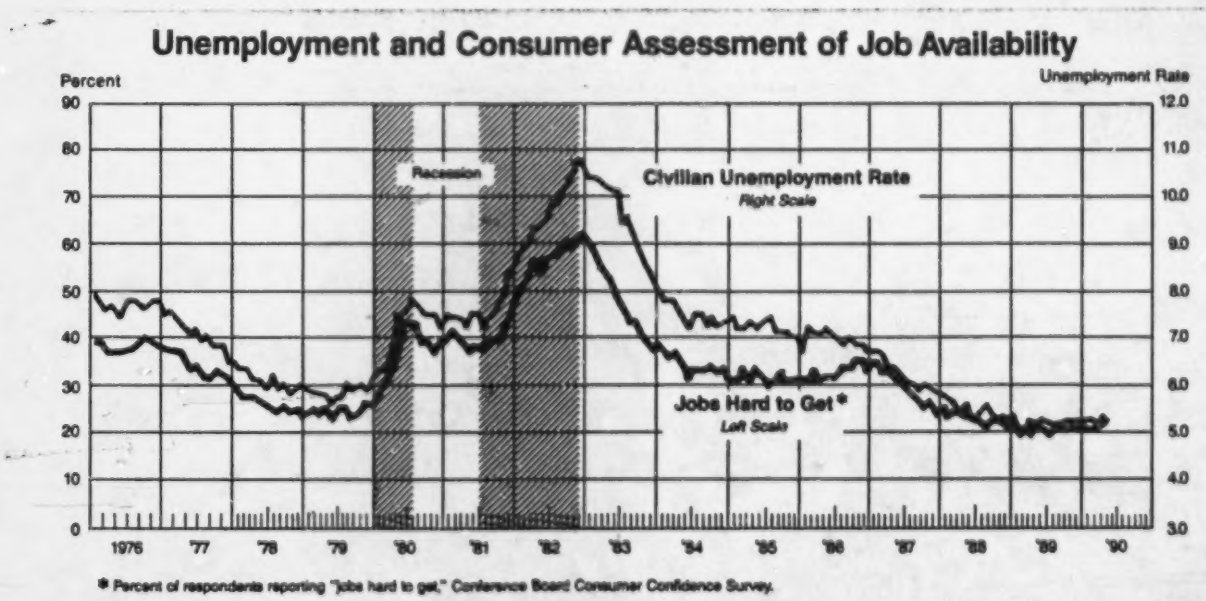
* Quarterly changes in real GNP at annual rates.

U.S. Department of Commerce; NFO Research Inc.; The Conference Board.

CONSUMER CONFIDENCE BY REGION

Seasonally unadjusted Index numbers: 1985 = 100	1989 May	June	July	Aug	Sep	Oct	Nov	Dec	1990 Jan	Feb	Mar	Apr (r)	May(p)	AVERAGE: Mar.-Apr.-May 1989	1990	Percent Change*
NEW ENGLAND																
Consumer Confidence Index	129.7	118.3	123.4	113.7	117.5	116.3	92.7	92.9	72.4	80.5	85.7	64.6	69.5	137.5	73.2	-46.7
Present Situation	189.4	180.0	183.9	170.0	176.7	168.2	129.8	130.3	101.3	105.4	96.8	71.9	70.2	195.7	79.6	-59.3
Expectations	89.9	77.2	83.2	76.2	78.1	81.8	67.9	68.0	53.2	63.9	78.3	59.7	69.0	98.6	69.0	-30.1
MIDDLE ATLANTIC																
Consumer Confidence Index	112.6	122.1	116.1	114.5	120.8	119.2	120.9	113.3	109.0	101.4	98.6	95.1	98.6	115.9	97.4	-15.9
Present Situation	137.8	155.9	150.1	144.5	149.8	151.1	151.9	144.2	128.7	126.6	111.1	108.9	105.1	143.7	108.4	-24.6
Expectations	95.8	99.5	93.4	94.5	101.5	96.0	100.2	92.8	95.9	84.6	90.3	85.9	94.3	97.4	90.2	- 7.4
EAST NORTH CENTRAL																
Consumer Confidence Index	114.9	115.3	118.2	114.1	118.0	121.2	114.3	113.8	105.5	102.4	110.7	108.3	108.0	114.2	109.0	- 4.6
Present Situation	137.4	137.1	144.0	140.6	142.2	147.6	139.3	130.6	119.4	117.2	117.2	123.4	126.3	133.5	122.3	- 8.4
Expectations	100.0	100.8	101.0	96.4	101.9	103.6	97.6	102.7	96.2	92.5	106.3	98.2	95.8	101.4	100.1	- 1.2
WEST NORTH CENTRAL																
Consumer Confidence Index	80.4	84.5	97.7	93.7	91.6	113.0	112.5	103.0	95.7	98.2	92.3	101.9	93.2	90.7	95.8	5.7
Present Situation	94.2	95.5	118.5	101.1	110.9	131.1	122.9	122.1	102.8	105.1	101.1	106.1	112.4	98.3	106.5	8.3
Expectations	71.2	77.1	83.9	88.8	78.8	101.0	105.5	90.3	91.0	93.6	86.4	99.0	80.5	85.5	88.6	3.6
SOUTH ATLANTIC																
Consumer Confidence Index	133.7	140.1	141.6	136.9	136.5	140.2	140.3	124.9	124.6	125.2	130.2	121.4	121.4	134.9	124.3	- 7.8
Present Situation	165.3	172.8	178.2	170.6	166.6	174.1	174.8	157.3	147.7	148.3	156.8	146.4	144.8	169.3	149.3	-11.8
Expectations	112.6	118.4	117.2	114.5	116.5	117.6	117.3	103.3	109.3	109.8	112.5	104.7	105.9	112.0	107.7	- 3.9
EAST SOUTH CENTRAL																
Consumer Confidence Index	106.5	100.1	103.7	88.8	101.0	101.9	104.6	99.5	90.6	87.6	101.7	91.7	79.4	102.3	90.9	-11.1
Present Situation	114.4	94.8	95.2	82.1	100.2	102.6	99.0	90.0	79.1	81.4	85.1	84.8	70.7	102.3	80.2	-21.6
Expectations	101.2	103.6	109.5	93.3	101.6	101.4	108.3	105.8	98.3	91.7	112.8	96.2	85.3	102.3	98.1	- 4.1
WEST SOUTH CENTRAL																
Consumer Confidence Index	77.4	79.0	88.5	78.4	85.9	87.5	79.7	87.5	84.7	95.6	93.2	92.0	90.0	79.0	91.8	16.2
Present Situation	44.2	46.0	59.9	41.8	45.8	47.5	54.6	48.4	43.9	58.7	57.7	60.1	59.2	37.7	59.0	56.3
Expectations	99.5	100.9	107.5	102.9	112.7	114.2	96.4	113.5	112.0	120.2	116.9	113.4	110.6	106.5	113.6	6.7
MOUNTAIN																
Consumer Confidence Index	90.5	91.7	82.5	85.6	98.2	94.0	98.2	89.7	84.3	92.8	96.2	104.3	101.5	94.6	100.7	6.5
Present Situation	75.1	70.6	68.1	71.2	87.7	70.4	74.7	58.1	53.7	69.0	68.2	74.9	81.5	77.6	74.9	- 3.5
Expectations	100.8	105.8	92.1	95.3	105.3	109.8	113.9	110.8	104.7	108.6	114.9	123.9	114.9	105.9	117.9	11.3
PACIFIC																
Consumer Confidence Index	134.9	134.6	135.3	133.5	135.6	142.7	134.5	132.3	134.1	138.5	139.8	126.1	127.8	132.1	131.2	- 0.6
Present Situation	173.2	171.3	171.3	170.3	173.7	178.1	167.3	169.9	166.5	174.6	167.8	160.6	165.8	165.4	164.7	- 0.4
Expectations	109.4	110.1	111.3	109.0	110.2	119.1	112.7	107.3	112.6	114.4	121.1	103.2	102.4	109.8	108.9	- 0.8

***Percent Change: Average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.**



* Percent of respondents reporting "jobs hard to get," Conference Board Consumer Confidence Survey.